

SENATE MOTION

MR. PRESIDENT:

I move that Engrossed House Bill 1004 be amended to read as follows:

- 1 Page 9, between lines 2 and 3, begin a new paragraph and insert:
- 2 "SECTION 5. IC 4-31-1-2 IS AMENDED TO READ AS
- 3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The ~~purpose~~
- 4 **purposes** of this article ~~is~~ **are**:
- 5 (1) to permit pari-mutuel wagering on horse races in Indiana;
- 6 (2) **to permit the sale of pari-mutuel pull tabs at racetracks in**
- 7 **Indiana; and**
- 8 (3) to ensure that **the sale of pari-mutuel pull tabs and**
- 9 pari-mutuel wagering on horse races in Indiana will be conducted
- 10 with the highest of standards and the greatest level of integrity.
- 11 SECTION 6. IC 4-31-2-1.5 IS ADDED TO THE INDIANA CODE
- 12 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**
- 13 **1, 2002]: Sec. 1.5. "Adjusted gross receipts" means:**
- 14 (1) **the total of all cash and property (including checks**
- 15 **received by a permit holder whether collected or not) received**
- 16 **by a permit holder from pari-mutuel pull tab sales; minus**
- 17 (2) **the total of:**
- 18 (A) **all cash paid out as winnings for pari-mutuel pull tabs**
- 19 **to patrons; and**
- 20 (B) **uncollectible pari-mutuel pull tab receivables, not to**
- 21 **exceed the lesser of:**
- 22 (i) **a reasonable provision for uncollectible patron checks**
- 23 **received from pari-mutuel pull tab sales; or**
- 24 (ii) **two percent (2%) of the total of all sums, including**
- 25 **checks, whether collected or not, less the amount paid**
- 26 **out as winnings for pari-mutuel pull tabs to patrons.**
- 27 **For purposes of this section, a counter or personal check that is**
- 28 **invalid or unenforceable under this article is considered cash**
- 29 **received by the permit holder from pari-mutuel pull tab sales.**
- 30 SECTION 7. IC 4-31-2-11.5 IS ADDED TO THE INDIANA CODE
- 31 **AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY**

1, 2002]: **Sec. 11.5. "Pari-mutuel pull tab" means a game offered to the public in which a person who purchases a ticket or simulated ticket has the opportunity to share in a prize pool, multiple prize pools, or a shared prize pool consisting of the total amount wagered in the game minus deductions by the permit holder selling the pari-mutuel pull tab and other deductions either permitted or required by law.**

SECTION 8. IC 4-31-3-9 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. The commission may:

(1) adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this article, including rules that prescribe:

(A) the forms of wagering that are permitted;

(B) the number of races;

(C) the procedures for wagering;

(D) the wagering information to be provided to the public;

(E) **the hours during which a racetrack may sell pari-mutuel pull tabs under IC 4-31-7.5;**

(F) fees for the issuance and renewal of:

(i) permits under IC 4-31-5;

(ii) satellite facility licenses under IC 4-31-5.5; and

(iii) licenses for racetrack personnel and racing participants under IC 4-31-6;

~~(F)~~ (G) investigative fees;

~~(G)~~ (H) fines and penalties; and

~~(H)~~ (I) any other regulation that the commission determines is in the public interest in the conduct of recognized meetings and wagering on horse racing in Indiana;

(2) appoint employees in the manner provided by IC 4-15-2 and fix their compensation, subject to the approval of the budget agency under IC 4-12-1-13;

(3) enter into contracts necessary to implement this article; and

(4) receive and consider recommendations from an advisory development committee established under IC 4-31-11.

SECTION 9. IC 4-31-5-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. **Except as provided in IC 4-31-7.5**, any fees or penalties collected by the commission under ~~IC 4-31-3-9(1)(E)~~ **IC 4-31-3-9(1)(F)** through ~~IC 4-31-3-9(1)(G)~~ **IC 4-31-3-9(1)(H)** shall be paid into the state general fund.

SECTION 10. IC 4-31-7-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A person holding a permit to conduct a horse racing meeting or a license to operate a satellite facility may provide a place in the racing meeting grounds or enclosure or the satellite facility at which the person may conduct and supervise the pari-mutuel system of wagering by patrons of legal age on the horse races conducted or simulcast by the person. The person

may not permit or use:

- (1) another place other than that provided and designated by the person; or
- (2) another method or system of betting or wagering. **However, a person holding a permit to conduct a horse racing meeting may permit wagering on pari-mutuel pull tabs at the person's race track as permitted by IC 4-31-7.5.**

(b) Except as provided in section 7 of this chapter and IC 4-31-5.5, the pari-mutuel system of wagering may not be conducted on any races except the races at the racetrack, grounds, or enclosure for which the person holds a permit.

SECTION 11. IC 4-31-7-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A person less than ~~eighteen (18)~~ **twenty-one (21)** years of age may not wager at a horse racing meeting.

(b) A person less than ~~seventeen (17)~~ **twenty-one (21)** years of age may not enter the grandstand, clubhouse, or similar areas of a racetrack at which wagering is permitted unless accompanied by a person who is at least twenty-one (21) years of age.

(c) A person less than ~~eighteen (18)~~ **twenty-one (21)** years of age may not enter a satellite facility.

SECTION 12. IC 4-31-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 7.5. Pari-Mutuel Pull Tabs

Sec. 1. (a) This chapter applies only to the sale of pari-mutuel pull tabs by a person who holds a permit to conduct a pari-mutuel horse racing meeting issued under IC 4-31-5.

(b) This chapter does not apply to the sale of pull tabs by a qualified organization (as defined in IC 4-32-6-20) under IC 4-32.

Sec. 2. A pari-mutuel pull tab game must be conducted in the following manner:

- (1) Each set of tickets must have a predetermined:**
 - (A) total purchase price; and**
 - (B) amount of prizes.**
- (2) Randomly ordered pari-mutuel pull tab tickets may be distributed from an approved location or from a distribution device to:**
 - (A) the permit holder at the permit holder's racetrack; or**
 - (B) a terminal or device of the permit holder at the permit holder's racetrack.**
- (3) A pari-mutuel pull tab ticket must be presented to a player in the form of a paper ticket or display on a terminal or device.**
- (4) Game results must be initially covered or otherwise concealed from view on the pari-mutuel pull tab ticket, terminal, or device so that the number, letter, symbol, or set**

of numbers, letters, or symbols cannot be seen until the concealing medium is removed.

(5) A winner is identified after the display of the game results when a player removes the concealing medium of the pari-mutuel pull tab ticket or display on a terminal or device.

(6) A winner shall receive the prize or prizes posted or displayed for the game from the permit holder.

Sec. 3. A person less than twenty-one (21) years of age may not purchase a pari-mutuel pull tab ticket.

Sec. 4. The sale price of a pari-mutuel pull tab ticket may not exceed ten dollars (\$10).

Sec. 5. (a) The sale, purchase, and redemption of pari-mutuel pull tab tickets are limited to a live pari-mutuel horse racing facility operated by a permit holder under a recognized meeting permit first issued before January 1, 2002.

(b) Pari-mutuel pull tab tickets may not be sold, purchased, or redeemed at any of the locations described in this section until two (2) unaffiliated permit holders operate live pari-mutuel horse racing facilities at two (2) separate locations.

(c) A permit holder may not install more than seven hundred (700) pull tab terminals or devices on the premises of the permit holder's live pari-mutuel horse racing facility.

Sec. 6. The number and size of the prizes in a pari-mutuel pull tab game must be finite but may not be limited.

Sec. 7. A list of prizes for winning pari-mutuel pull tab tickets must be posted or displayed at a location where the tickets are sold.

Sec. 8. A permit holder may close a pari-mutuel pull tab game at any time.

Sec. 9. A terminal or device selling pari-mutuel pull tab tickets may be operated by a player without the assistance of the permit holder for the sale and redemption of pari-mutuel pull tab tickets.

Sec. 10. A terminal or device selling pari-mutuel pull tab tickets may not dispense coins or currency as prizes for winning tickets. Prizes awarded by a terminal or device must be in the form of credits for additional play or certificates redeemable for cash or prizes.

Sec. 11. (a) The Indiana gaming commission shall adopt rules under IC 4-22-2, including emergency rules under IC 4-22-2-37.1, to implement this chapter, including rules that prescribe:

(1) an approval process for pari-mutuel pull tab games that requires periodic testing of the games and equipment by an independent entity under the oversight of the commission to ensure the integrity of the games to the public;

(2) a system of internal audit controls;

(3) a method of payment for pari-mutuel pull tab prizes that allows a player to transfer credits from one (1) terminal or device to another;

(4) a method of payment for pari-mutuel pull tab prizes that

allows a player to redeem a winning ticket for additional play tickets or credit to permit purchase of additional play tickets; and

(5) any other procedure or requirement necessary for the efficient and economical operation of the pari-mutuel pull tab games and the convenience of the public.

(b) The Indiana gaming commission may enter into a contract with the Indiana horse racing commission for the provision of services necessary to administer pari-mutuel pull tab games.

Sec. 12. The Indiana gaming commission may assess an administrative fee to a permit holder offering pari-mutuel pull tab games in an amount that allows the commission to recover all the commission's costs of administering the pari-mutuel pull tab games.

Sec. 13. The Indiana gaming commission may not permit the sale of pari-mutuel pull tab tickets in a county where a riverboat is docked.

Sec. 14. (a) A tax is imposed on the adjusted gross receipts received from the sale of pari-mutuel pull tabs authorized under this article at the rate of thirty percent (30%) of the amount of the adjusted gross receipts.

(b) The permit holder shall remit the tax imposed by this section to the department before the close of the business day following the day the pari-mutuel pull tabs are sold.

(c) The department may require payment under this section to be made by electronic funds transfer (as defined in IC 4-8.1-2-7(f)).

(d) If the department requires taxes to be remitted under this chapter through electronic funds transfer, the department may allow the permit holder to file a monthly report to reconcile the amounts remitted to the department.

(e) The department may allow taxes remitted under this section to be reported on the same form used for taxes paid under IC 4-31-9.

Sec. 15. (a) The state pull tab wagering fund is established. Money in the fund does not revert to the state general fund at the end of the state fiscal year.

(b) The department shall deposit tax revenue collected under section 14 of this chapter in the state pull tab wagering fund.

(c) Each month, the treasurer of state shall distribute the tax revenue deposited in the state pull tab wagering fund under this section as follows:

(1) Twenty-five percent (25%) of the tax revenue remitted by each permit holder shall be paid:

(A) to the city in which the racetrack from which the tax revenue was collected is located, in the case of a racetrack that is located in an incorporated area; or

(B) to the county in which the racetrack from which the tax revenue was collected is located, in the case of a racetrack

1 that is located in an unincorporated area.

2 (2) After the distributions required under subdivision (1) are
3 made, the next twenty-six million dollars (\$26,000,000) of tax
4 revenue shall be paid to the horse racing commission to be
5 distributed as follows, in amounts determined by the horse
6 racing commission, for the promotion and operation of horse
7 racing:

8 (A) To a breed development fund established by the horse
9 racing commission under IC 4-31-11-10.

10 (B) To each racetrack that has been approved by the horse
11 racing commission under this article. The horse racing
12 commission may make a grant under this clause only for
13 purses and promotions.

14 (3) After the distributions required under subdivisions (1) and
15 (2) are made, the remainder of tax revenue remitted by each
16 permit holder shall be paid to the build Indiana fund lottery
17 and gaming surplus account.

18 Sec. 16. (a) As used in this section, "net receipts" means a
19 permit holder's adjusted gross receipts, minus any taxes paid
20 under section 14 of this chapter.

21 (b) Beginning January 1 following the second anniversary of the
22 date that the sale of pari-mutuel pull tab tickets begins at a location
23 described in this chapter and every year thereafter, the permit
24 holder shall pay the percentage of the permit holder's net receipts
25 set forth in subsection (c) to the commission for purse money and
26 breed development.

27 (c) Beginning January 1 of the following years of operation, the
28 purse money and breed development fee is equal to the following
29 percentages of the permit holder's net receipts:

30	Year 3	2%
31	Year 4	2%
32	Year 5	4%
33	Year 6	6%
34	Year 7	7%
35	Year 8	8%
36	Year 9	9%
37	Year 10 and each	
38	year thereafter	10%

39 (d) The commission shall allocate money received under this
40 section to purses and breed development.

41 Sec. 17. All shipments of gambling devices, including
42 pari-mutuel pull tab machines, to permit holders in Indiana, the
43 registering, recording, and labeling of which have been completed
44 by the manufacturer or dealer in accordance with 15 U.S.C. 1171
45 through 15 U.S.C. 1178, are legal shipments of gambling devices
46 into Indiana.

47 Sec. 18. Under 15 U.S.C. 1172, approved January 2, 1951, the
48 state of Indiana, acting by and through elected and qualified

members of the legislature, declares and proclaims that the state is exempt from 15 U.S.C. 1172.

Sec. 19. The sale, purchase, and redemption of pari-mutuel pull tab tickets under this chapter shall be regulated and administered by the Indiana gaming commission.

SECTION 13. IC 4-31-9-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. A person that holds a permit to conduct a horse racing meeting or a license to operate a satellite facility shall withhold:

(1) eighteen percent (18%) of the total of money wagered on each day at the racetrack or satellite facility (including money wagered on exotic wagering pools, **but excluding money wagered on pari-mutuel pull tabs under IC 4-31-7.5**); plus

(2) an additional three and one-half percent (3.5%) of the total of all money wagered on exotic wagering pools on each day at the racetrack or satellite facility.

SECTION 14. IC 4-33-2-5.6 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 5.6. "Cruise" means to depart from the dock while gambling is conducted.**

SECTION 15. IC 4-33-2-7 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. "Dock" means the location where ~~an excursion~~ a riverboat moors for the purpose of embarking passengers for and disembarking passengers from ~~a gambling excursion; the riverboat.~~

SECTION 16. IC 4-33-2-11.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 11.5. "Historic resort hotel" means a structure originally built as a hotel that contained at least three hundred (300) sleeping rooms on or before January 1, 1930.**

SECTION 17. IC 4-33-2-13.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 13.5. "Licensed operating agent" means a person licensed under IC 4-33-6.5 to operate a riverboat in a historic preservation district described in IC 4-33-1-1(3) on behalf of the district's historic preservation commission.**

SECTION 18. IC 4-33-2-14.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 14.5. "Operating agent's license" means a license issued under IC 4-33-6.5 that allows a person to operate a riverboat in a historic preservation district described in IC 4-33-1-1(3) on behalf of the district's historic preservation commission.**

SECTION 19. IC 4-33-2-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 15.5. "Patron" means an individual who:**

- (1) boards a riverboat; and
 (2) is not entitled to receive a tax free pass.

SECTION 20. IC 4-33-2-16 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 16. "Person" means an individual, a sole proprietorship, a partnership, an association, a fiduciary, a corporation, a limited liability company, **a historic preservation district**, or any other business entity.

SECTION 21. IC 4-33-2-16.3 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002] **Sec. 16.3. "Pari-mutuel pull tab" has the meaning set forth in IC 4-31-2-11.5.**

SECTION 22. IC 4-33-2-16.5 IS ADDED TO THE INDIANA CODE AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 16.5. "Reporting period" means a twenty-four (24) hour increment used by the department under this article, commencing at 6 a.m. on one (1) day and concluding at 5:59 a.m. the following day.**

SECTION 23. IC 4-33-4-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. The commission shall adopt rules under IC 4-22-2 for the following purposes:

- (1) Administering this article.
- (2) Establishing the conditions under which riverboat gambling in Indiana may be conducted.
- (3) Providing for the prevention of practices detrimental to the public interest and providing for the best interests of riverboat gambling.
- ~~(4) With respect to riverboats that operate on Patoka Lake, ensuring:~~
 - ~~(A) the prevention of practices detrimental to the natural environment and scenic beauty of Patoka Lake; and~~
 - ~~(B) compliance by licensees and riverboat patrons with the requirements of IC 14-26-2-5 and IC 14-28-1.~~
- ~~(5)~~ (4) Establishing rules concerning inspection of riverboats and the review of the permits or licenses necessary to operate a riverboat.
- ~~(6)~~ (5) Imposing penalties for noncriminal violations of this article.
- (6) Establishing ethical standards regulating the conduct of members of a historic preservation commission established under IC 36-7-11-4.5 with regard to the selection and licensure of an operating agent to operate a riverboat in a historic preservation district described in IC 4-33-1-1(3).
- (7) Establishing the conditions under which the sale, purchase, and redemption of pari-mutuel pull tabs may be conducted under IC 4-31-7.5.

SECTION 24. IC 4-33-4-3, AS AMENDED BY P.L.14-2000, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE

JULY 1, 2002]: Sec. 3. (a) The commission shall do the following:

(1) Adopt rules that the commission determines necessary to protect or enhance the following:

(A) The credibility and integrity of gambling operations authorized by this article.

(B) The regulatory process provided in this article.

~~(C) The natural environment and scenic beauty of Patoka Lake.~~

(2) Conduct all hearings concerning civil violations of this article.

(3) Provide for the establishment and collection of license fees and taxes imposed under this article.

(4) Deposit the license fees and taxes in the state gaming fund established by IC 4-33-13.

(5) Levy and collect penalties for noncriminal violations of this article.

(6) Deposit the penalties in the state gaming fund established by IC 4-33-13.

(7) Be present through the commission's inspectors and agents during the time gambling operations are conducted on a riverboat to do the following:

(A) Certify the revenue received by a riverboat.

(B) Receive complaints from the public.

(C) Conduct other investigations into the conduct of the gambling games and the maintenance of the equipment that the commission considers necessary and proper.

~~(D) With respect to riverboats that operate on Patoka Lake, ensure compliance with the following:~~

~~(i) IC 14-26-2-6.~~

~~(ii) IC 14-26-2-7.~~

~~(iii) IC 14-28-1.~~

(8) Adopt emergency rules under IC 4-22-2-37.1 if the commission determines that:

(A) the need for a rule is so immediate and substantial that rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 are inadequate to address the need; and

(B) an emergency rule is likely to address the need.

(b) The commission shall begin rulemaking procedures under IC 4-22-2-13 through IC 4-22-2-36 to adopt an emergency rule adopted under subsection (a)(8) not later than thirty (30) days after the adoption of the emergency rule under subsection (a)(8).

SECTION 25. IC 4-33-4-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. **If a riverboat cruises**, the commission shall authorize the route of ~~a the~~ riverboat and the stops, if any, that the riverboat may make **while on a cruise**.

SECTION 26. IC 4-33-4-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 13. (a) **This section does not apply to a riverboat located in a county having a**

population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).

(b) After consulting with the United States Army Corps of Engineers, the commission may do the following:

(1) Determine the waterways that are navigable waterways for purposes of this article.

(2) Determine the navigable waterways that are suitable for the operation of riverboats under this article.

~~(b)~~ (c) In determining the navigable waterways on which riverboats may operate, the commission shall do the following:

(1) Obtain any required approvals from the United States Army Corps of Engineers for the operation of riverboats on those waterways.

(2) Consider the economic benefit that riverboat gambling provides to Indiana.

(3) Seek to ensure that all regions of Indiana share in the economic benefits of riverboat gambling.

~~(4) Considering IC 14-26-2-6, IC 14-26-2-7, and IC 14-28-1, conduct a feasibility study concerning:~~

~~(A) the environmental impact of the navigation and docking of riverboats upon Patoka Lake; and~~

~~(B) the impact of the navigation and docking of riverboats upon the scenic beauty of Patoka Lake.~~

SECTION 27. IC 4-33-4-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 15. The commission shall annually do the following:

(1) Review the patterns of wagering and wins and losses by persons on riverboat gambling operations under this article.

(2) Make recommendations to the governor and the general assembly concerning whether limits on wagering losses should be imposed.

~~(3) Examine the impact on the natural environment and scenic beauty of Patoka Lake made by the navigation and docking of riverboats.~~

SECTION 28. IC 4-33-4-21.2, AS AMENDED BY P.L.215-2001, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 21.2. (a) The Indiana gaming commission shall require a licensed owner to conspicuously display the number of the toll free telephone line described in IC 4-33-12-6 in the following locations:

(1) On each admission ticket to a riverboat ~~gambling excursion~~ **if tickets are issued.**

(2) On a poster or placard that is on display in a public area of each riverboat where gambling games are conducted.

(b) The toll free telephone line described in IC 4-33-12-6 must be:

(1) maintained by the division of mental health and addiction under IC 12-23-1-6; and

(2) funded by the addiction services fund established by IC 12-23-2-2.

(c) The commission may adopt rules under IC 4-22-2 necessary to carry out this section.

SECTION 29. IC 4-33-6-1 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) The commission may issue to a person a license to own ~~one (1)~~ a riverboat subject to the numerical and geographical limitation of owner's licenses under this section, **section 3.5 of this chapter**, and IC 4-33-4-17. However, not more than eleven (11) owner's licenses may be in effect at any time. Except as provided in subsection (b), those eleven (11) licenses are as follows:

(1) Two (2) licenses for a riverboat that operates from the largest city located in the counties described under IC 4-33-1-1(1).

(2) One (1) license for a riverboat that operates from the second largest city located in the counties described under IC 4-33-1-1(1).

(3) One (1) license for a riverboat that operates from the third largest city located in the counties described under IC 4-33-1-1(1).

(4) One (1) license for a city located in the counties described under IC 4-33-1-1(1). This license may not be issued to a city described in subdivisions (1) through (3).

(5) A total of five (5) licenses for riverboats that operate upon the Ohio River from counties described under IC 4-33-1-1(2). The commission may not issue a license to an applicant if the issuance of the license would result in more than one (1) riverboat operating from a county described in IC 4-33-1-1(2).

(6) One (1) license for a riverboat that operates upon Patoka Lake from a county described under IC 4-33-1-1(3).

(b) If a city described in subsection (a)(2) or (a)(3) conducts two (2) elections under section 20 of this chapter, and the voters of the city do not vote in favor of permitting riverboat gambling at either of those elections, the license assigned to that city under subsection (a)(2) or (a)(3) may be issued to any city that:

(1) does not already have a riverboat operating from the city; and

(2) is located in a county described in IC 4-33-1-1(1).

SECTION 30. IC 4-33-6-2 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 2. (a) A person applying for an owner's license under this chapter must pay a nonrefundable application fee to the commission. The commission shall determine the amount of the application fee. **However, the historic preservation district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this subsection.**

(b) An applicant must submit the following on forms provided by the commission:

(1) If the applicant is an individual, two (2) sets of the individual's fingerprints.

(2) If the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant.

(c) The commission shall review the applications for an owner's license under this chapter and shall inform each applicant of the commission's decision concerning the issuance of the owner's license.

(d) The costs of investigating an applicant for an owner's license under this chapter shall be paid from the application fee paid by the applicant.

(e) An applicant for an owner's license under this chapter must pay all additional costs that are:

(1) associated with the investigation of the applicant; and

(2) greater than the amount of the application fee paid by the applicant.

(f) The commission shall recoup all of the costs associated with investigating or reinvestigating an applicant that is a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation commission's licensed operating agent.

SECTION 31. IC 4-33-6-3 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. The commission may not issue an owner's license under this chapter to a person if:

(1) the person has been convicted of a felony under Indiana law, the laws of any other state, or laws of the United States;

(2) the person has knowingly or intentionally submitted an application for a license under this chapter that contains false information;

(3) the person is a member of the commission;

(4) the person is an officer, a director, or a managerial employee of a person described in subdivision (1) or (2);

(5) the person employs an individual who:

(A) is described in subdivision (1), (2), or (3); and

(B) participates in the management or operation of gambling operations authorized under this article;

(6) the person owns an ownership interest of more than ~~ten percent (10%)~~ **in more than one (1) other person holding an owner's license issued under the total amount of ownership interest permitted under section 3.5 of this chapter;** or

(7) a license issued to the person:

(A) under this article; or

(B) to own or operate gambling facilities in another jurisdiction;

has been revoked.

SECTION 32. IC 4-33-6-3.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: **Sec. 3.5. (a) For purposes of this section, a person is**

1 considered to have an ownership interest in a riverboat owner's
 2 license if the interest is owned directly or indirectly by the person
 3 or by an entity controlled by the person.

4 (b) A person may have up to a one hundred percent (100%)
 5 ownership interest in not more than two (2) riverboat licenses
 6 issued under this chapter.

7 (c) A person may not have an ownership interest in more than
 8 two (2) riverboat owner's licenses issued under this chapter.

9 (d) This section may not be construed to increase the maximum
 10 number of licenses permitted under section 1 of this chapter or the
 11 number of riverboats that may be owned and operated under a
 12 license under section 10 of this chapter.

13 SECTION 33. IC 4-33-6-5 IS AMENDED TO READ AS
 14 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. (a) **This section**
 15 **does not apply to a riverboat located in a historic preservation**
 16 **district described in IC 4-33-1-1(3).**

17 (b) In an application for an owner's license, the applicant must state
 18 the dock at which the riverboat is based and the navigable waterway on
 19 which the riverboat will operate.

20 SECTION 34. IC 4-33-6-6 IS AMENDED TO READ AS
 21 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) A riverboat that
 22 operates in a county described in IC 4-33-1-1(1) or IC 4-33-1-1(2)
 23 must:

24 (1) have a valid certificate of inspection from the United States
 25 Coast Guard for the carrying of at least five hundred (500)
 26 passengers; and

27 (2) be at least one hundred fifty (150) feet in length.

28 (b) A riverboat that operates ~~on Patoka Lake~~ **in a county described**
 29 **under IC 4-33-1-1(3)** must:

30 (1) have the capacity to carry at least five hundred (500)
 31 passengers;

32 (2) be at least one hundred fifty (150) feet in length; and

33 (3) meet safety standards required by the commission.

34 (c) This subsection applies only to a riverboat that operates on the
 35 Ohio River. A riverboat must replicate, as nearly as possible, historic
 36 Indiana steamboat passenger vessels of the nineteenth century.
 37 However, steam propulsion or overnight lodging facilities are not
 38 required under this subsection.

39 SECTION 35. IC 4-33-6-8 IS AMENDED TO READ AS
 40 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 8. If the commission
 41 determines that a person is eligible under this chapter for an owner's
 42 license, the commission may issue an owner's license to the person if:

43 (1) the person pays an initial license fee of twenty-five thousand
 44 dollars (\$25,000); and

45 (2) the person posts a bond as required in section 9 of this
 46 chapter.

47 **However, the historic preservation district described in**

1 **IC 4-33-1-1(3) or a member of the district's historic preservation**
 2 **commission is not required to pay the fee charged under this**
 3 **section.**

4 SECTION 36. IC 4-33-6-9 IS AMENDED TO READ AS
 5 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 9. (a) **Except as**
 6 **provided in subsection (I),** a licensed owner must post a bond with the
 7 commission at least sixty (60) days before the commencement of
 8 ~~regular gambling on the riverboat. excursions.~~

9 (b) The bond shall be furnished in:

10 (1) cash or negotiable securities;

11 (2) a surety bond:

12 (A) with a surety company approved by the commission; and

13 (B) guaranteed by a satisfactory guarantor; or

14 (3) an irrevocable letter of credit issued by a banking institution
 15 of Indiana acceptable to the commission.

16 (c) If a bond is furnished in cash or negotiable securities, the
 17 principal shall be placed without restriction at the disposal of the
 18 commission, but income inures to the benefit of the licensee.

19 (d) The bond:

20 (1) is subject to the approval of the commission;

21 (2) must be in an amount that the commission determines will
 22 adequately reflect the amount that a local community will expend
 23 for infrastructure and other facilities associated with a riverboat
 24 operation; and

25 (3) must be payable to the commission as obligee for use in
 26 payment of the licensed owner's financial obligations to the local
 27 community, the state, and other aggrieved parties, as determined
 28 by the rules of the commission.

29 (e) If after a hearing (after at least five (5) days written notice) the
 30 commission determines that the amount of a licensed owner's bond is
 31 insufficient, the licensed owner shall upon written demand of the
 32 commission file a new bond.

33 (f) The commission may require a licensed owner to file a new bond
 34 with a satisfactory surety in the same form and amount if:

35 (1) liability on the old bond is discharged or reduced by judgment
 36 rendered, payment made, or otherwise; or

37 (2) in the opinion of the commission any surety on the old bond
 38 becomes unsatisfactory.

39 (g) If a new bond obtained under subsection (e) or (f) is
 40 unsatisfactory, the commission shall cancel the owner's license. If the
 41 new bond is satisfactorily furnished, the commission shall release in
 42 writing the surety on the old bond from any liability accruing after the
 43 effective date of the new bond.

44 (h) A bond is released on the condition that the licensed owner
 45 remains at the site for which the owner's license is granted for the
 46 lesser of:

47 (1) five (5) years; or

(2) the date the commission grants a license to another licensed owner to operate from the site for which the bond was posted.

(i) A licensed owner who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total and aggregate liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may in no event be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the licensed owner.

(l) The historic preservation district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to post the bond required under this section.

SECTION 37. IC 4-33-6-10 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 10. (a) An owner's license issued under this chapter permits the holder to own and operate one (1) riverboat and equipment for each license.

(b) An owner's license issued under this chapter permits the holder to:

(1) conduct gambling games authorized under this article while the riverboat is cruising or docked; and

(2) allow the continuous ingress and egress of passengers for purposes of gambling.

(c) An owner's license issued under this chapter must specify the place where the riverboat must operate and dock. However, the commission may permit the riverboat to dock at a temporary dock in the applicable city for a specific period of time not to exceed one (1) year after the owner's license is issued.

~~(c)~~ **(d)** An owner's initial license expires five (5) years after the effective date of the license.

(e) An owner's license issued under this chapter does not permit the holder to conduct gambling games on a barge.

SECTION 38. IC 4-33-6-11 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 11. The commission may revoke an owner's license if:

(1) the licensee begins regular ~~riverboat excursions~~ **operations** more than twelve (12) months after receiving the commission's approval of the application for the license; and

(2) the commission determines that the revocation of the license is in the best interests of Indiana.

SECTION 39. IC 4-33-6-12 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 12. (a) Unless the

owner's license is terminated, expires, or is revoked, the owner's license may be renewed annually upon:

- (1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and
- (2) a determination by the commission that the licensee satisfies the conditions of this article.

However, the historic preservation district described in IC 4-33-1-1(3) or a member of the district's historic preservation commission is not required to pay the fee charged under this section.

(b) A licensed owner shall undergo a complete investigation every three (3) years to determine that the licensed owner remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate a licensed owner at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The licensed owner shall bear the cost of an investigation or reinvestigation of the licensed owner and any investigation resulting from a potential transfer of ownership.

(e) The commission shall recoup all of the costs associated with investigating or reinvestigating a member of a historic preservation commission described in subsection (a) by imposing a special investigation fee upon the historic preservation commission's licensed operating agent.

SECTION 40. IC 4-33-6-19 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 19. (a) This section applies to:

- (1) a county contiguous to the Ohio River;
- ~~(2) a county contiguous to Patoka Lake; and~~
- ~~(3)~~ (2) a county contiguous to Lake Michigan that has a population of less than four hundred thousand (400,000).

(b) Notwithstanding any other provision of this article, the commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of the county have approved the conducting of gambling games on riverboats in the county.

(c) If the docking of a riverboat in the county is approved by an ordinance adopted under section 18 of this chapter, or if at least the number of the registered voters of the county required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the circuit court clerk requesting that a local public question concerning riverboat gaming be placed on the ballot, the county election board shall place the following question on the ballot in the county during the next general election:

"Shall licenses be issued to permit riverboat gambling in ____ County?"

(d) A public question under this section shall be placed on the ballot

in accordance with IC 3-10-9 and must be certified in accordance with IC 3-10-9-3.

(e) The clerk of the circuit court of a county holding an election under this chapter shall certify the results determined under IC 3-12-4-9 to the commission and the department of state revenue.

(f) If a public question under this section is placed on the ballot in a county and the voters of the county do not vote in favor of permitting riverboat gambling under this article, a second public question under this section may not be held in that county for at least two (2) years. If the voters of the county vote to reject riverboat gambling a second time, a third or subsequent public question under this section may not be held in that county until the general election held during the tenth year following the year that the previous public question was placed on the ballot.

SECTION 41. IC 4-33-6-19.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: **Sec. 19.5. (a) This section applies to a county having a population of more than nineteen thousand three hundred (19,300) but less than twenty thousand (20,000).**

(b) The commission may issue only one (1) license under this article to allow a riverboat to operate in the county within a historic preservation district established under IC 36-7-11.

(c) The commission may not issue a license under this article to allow a riverboat to operate in the county unless the voters of:

(1) a town having a population of more than one thousand five hundred (1,500) but less than two thousand two hundred (2,200) located in the county; and

(2) a town having a population of less than one thousand five hundred (1,500) located in the county;

have approved gambling on riverboats in the county.

(d) If at least the number of registered voters of the town required under IC 3-8-6-3 for a petition to place a candidate on the ballot sign a petition submitted to the clerk of the circuit court requesting that a local public question concerning riverboat gambling be placed on the ballot, the county election board shall place the following question on the ballot in the town described in subsection (c) during the next primary or general election or a special election held under this section:

"Shall a license be issued to allow riverboat gambling in the town of _____?"

(e) A public question under this section shall be placed on the ballot in accordance with IC 3-10-9.

(f) If a public question is placed on the ballot under this section and the voters of the town do not vote in favor of allowing riverboat gambling under IC 4-33, another public question regarding riverboat gambling may not be held in the town for at least two (2) years.

1 (g) In a special election held under this section:

2 (1) IC 3 applies, except as otherwise provided in this section;
3 and

4 (2) at least as many precinct polling places as were used in the
5 towns described in subsection (c) during the most recent
6 municipal election must be used for the special election.

7 (h) The clerk of the circuit court of a county holding an election
8 under this section shall certify the results determined under
9 IC 3-12-4-9 to the commission and the department of state revenue.

10 SECTION 42. IC 4-33-6.5 IS ADDED TO THE INDIANA CODE
11 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
12 JULY 1, 2002]:

13 **Chapter 6.5. Riverboat Operating Agent's License**

14 **Sec. 1.** This chapter applies only to a riverboat operated under
15 a license described in IC 4-33-6-1(a)(6).

16 **Sec. 2. (a)** A person applying for an operating agent's license
17 under this chapter must pay a nonrefundable application fee to the
18 commission. The commission shall determine the amount of the
19 application fee.

20 (b) An applicant must submit the following on forms provided
21 by the commission:

22 (1) If the applicant is an individual, two (2) sets of the
23 individual's fingerprints.

24 (2) If the applicant is not an individual, two (2) sets of
25 fingerprints for each officer and director of the applicant.

26 (c) The commission shall review the applications for a license
27 under this chapter and shall inform each applicant of the
28 commission's decision concerning the issuance of the license.

29 (d) The costs of investigating an applicant for a license under
30 this chapter shall be paid from the application fee paid by the
31 applicant.

32 (e) An applicant for a license under this chapter must pay all
33 additional costs that are:

34 (1) associated with the investigation of the applicant; and

35 (2) greater than the amount of the application fee paid by the
36 applicant.

37 **Sec. 3.** The commission may not issue an operating agent's
38 license under this chapter to a person if:

39 (1) the person has been convicted of a felony under Indiana
40 law, the laws of any other state, or laws of the United States;

41 (2) the person has knowingly or intentionally submitted an
42 application for a license under this chapter that contains false
43 information;

44 (3) the person is a member of the commission;

45 (4) the person is an officer, a director, or a managerial
46 employee of a person described in subdivision (1) or (2);

47 (5) the person employs an individual who:

48 (A) is described in subdivision (1), (2), or (3); and

- (B) participates in the management or operation of gambling operations authorized under this article;
 - (6) the person owns an ownership interest of more than the total amount of ownership interests permitted under IC 4-33-6-3.5; or
 - (7) a license issued to the person:
 - (A) under this article; or
 - (B) to own or operate gambling facilities in another jurisdiction;
- has been revoked.

Sec. 4. In determining whether to grant an operating agent's license to an applicant, the commission shall consider the following:

- (1) The character, reputation, experience, and financial integrity of the following:
 - (A) The applicant.
 - (B) A person that:
 - (i) directly or indirectly controls the applicant; or
 - (ii) is directly or indirectly controlled by the applicant or by a person that directly or indirectly controls the applicant.
- (2) The facilities or proposed facilities for the conduct of riverboat gambling in a historic preservation district described in IC 4-33-1-1(3).
- (3) The highest prospective total revenue to be collected by the state from the conduct of riverboat gambling.
- (4) The good faith affirmative action plan of each applicant to recruit, train, and upgrade minorities in all employment classifications.
- (5) The financial ability of the applicant to purchase and maintain adequate liability and casualty insurance.
- (6) If the applicant has adequate capitalization to operate a riverboat for the duration of the license.
- (7) The extent to which the applicant exceeds or meets other standards adopted by the commission.

Sec. 5. If the commission determines that a person is eligible under this chapter for an operating agent's license, the commission may issue an operating agent's license to the person if:

- (1) the person pays an initial license fee of twenty-five thousand dollars (\$25,000); and
- (2) the person posts a bond as required in section 6 of this chapter.

Sec. 6. (a) A licensed operating agent must post a bond with the commission at least sixty (60) days before the commencement of regular riverboat operations in the historic preservation district described in IC 4-33-1-1(3).

(b) The bond shall be furnished in:

- (1) cash or negotiable securities;

(2) a surety bond:

**(A) with a surety company approved by the commission;
and**

(B) guaranteed by a satisfactory guarantor; or

(3) an irrevocable letter of credit issued by a banking institution of Indiana acceptable to the commission.

(c) If a bond is furnished in cash or negotiable securities, the principal shall be placed without restriction at the disposal of the commission, but income inures to the benefit of the licensee.

(d) The bond:

(1) is subject to the approval of the commission; and

(2) must be payable to the commission as obligee for use in payment of the riverboat's financial obligations to the local community, the state, and other aggrieved parties, as determined by the rules of the commission.

(e) If after a hearing (after at least five (5) days written notice) the commission determines that the amount of a licensed operating agent's bond is insufficient, the operating agent shall, upon written demand of the commission, file a new bond.

(f) The commission may require a licensed operating agent to file a new bond with a satisfactory surety in the same form and amount if:

(1) liability on the old bond is discharged or reduced by judgment rendered, payment made, or otherwise; or

(2) in the opinion of the commission any surety on the old bond becomes unsatisfactory.

(g) If a new bond obtained under subsection (e) or (f) is unsatisfactory, the commission shall cancel the operating agent's license. If the new bond is satisfactorily furnished, the commission shall release in writing the surety on the old bond from any liability accruing after the effective date of the new bond.

(h) A bond is released on the condition that the licensed operating agent remains at the site of the riverboat operating within a historic preservation district:

(1) for five (5) years; or

(2) until the date the commission grants a license to another operating agent to operate from the site for which the bond was posted;

whichever occurs first.

(i) An operating agent who does not meet the requirements of subsection (h) forfeits a bond filed under this section. The proceeds of a bond that is in default under this subsection are paid to the commission for the benefit of the local unit from which the riverboat operated.

(j) The total liability of the surety on a bond is limited to the amount specified in the bond and the continuous nature of the bond may not be construed as allowing the liability of the surety under a bond to accumulate for each successive approval period

during which the bond is in force.

(k) A bond filed under this section is released sixty (60) days after:

(1) the time has run under subsection (h); and

(2) a written request is submitted by the operating agent.

Sec. 7. (a) Unless the operating agent's license is terminated, expires, or is revoked, the operating agent's license may be renewed annually upon:

(1) the payment of a five thousand dollar (\$5,000) annual renewal fee; and

(2) a determination by the commission that the licensee satisfies the conditions of this article.

(b) An operating agent shall undergo a complete investigation every three (3) years to determine that the operating agent remains in compliance with this article.

(c) Notwithstanding subsection (b), the commission may investigate an operating agent at any time the commission determines it is necessary to ensure that the licensee remains in compliance with this article.

(d) The operating agent shall bear the cost of an investigation or reinvestigation of the operating agent.

Sec. 8. A license issued under this chapter permits the holder to operate a the riverboat on behalf of the licensed owner of the riverboat.

Sec. 9. An operating agent licensed under this chapter is charged with all the duties imposed upon a licensed owner under this article including the collection and remission of taxes under IC 4-33-12 and IC 4-33-13.

SECTION 43. IC 4-33-7.5 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 7.5. Pari-Mutuel Pull Tab Suppliers

Sec. 1. The commission may issue a supplier's license under this chapter to a person if:

(1) the person has:

(A) applied for the supplier's license;

(B) paid a nonrefundable application fee set by the commission;

(C) paid a five thousand dollar (\$5,000) annual license fee; and

(D) submitted on forms provided by the commission:

(i) if the applicant is an individual, two (2) sets of the individual's fingerprints; and

(ii) if the applicant is not an individual, two (2) sets of fingerprints for each officer and director of the applicant; and

(2) the commission has determined that the applicant is eligible for a supplier's license.

1 **Sec. 2. (a) A person holding a supplier's license may sell, lease,**
 2 **and contract to sell or lease pari-mutuel pull tab terminals and**
 3 **devices to a permit holder authorized to sell and redeem**
 4 **pari-mutuel pull tab tickets under IC 4-31-7.5.**

5 **(b) Pari-mutuel pull tab terminals and devices may not be**
 6 **distributed unless the terminals and devices conform to standards**
 7 **adopted by the commission.**

8 **Sec. 3. A person may not receive a supplier's license if:**

9 **(1) the person has been convicted of a felony under Indiana**
 10 **law, the laws of any other state, or laws of the United States;**

11 **(2) the person has knowingly or intentionally submitted an**
 12 **application for a license under this chapter that contains false**
 13 **information;**

14 **(3) the person is a member of the commission;**

15 **(4) the person is an officer, a director, or a managerial**
 16 **employee of a person described in subdivision (1) or (2);**

17 **(5) the person employs an individual who:**

18 **(A) is described in subdivision (1), (2), or (3); and**

19 **(B) participates in the management or operation of**
 20 **gambling operations authorized under this article;**

21 **(6) the person owns more than a ten percent (10%) ownership**
 22 **interest in any other person holding a permit issued under**
 23 **IC 4-31; or**

24 **(7) a license issued to the person:**

25 **(A) under this article; or**

26 **(B) to supply gaming supplies in another jurisdiction;**

27 **has been revoked.**

28 **Sec. 4. A person may not furnish pari-mutuel pull tab terminals**
 29 **or devices to a permit holder unless the person possesses a**
 30 **supplier's license.**

31 **Sec. 5. (a) A supplier shall furnish to the commission a list of all**
 32 **pari-mutuel pull tab terminals and devices offered for sale or lease**
 33 **in connection with the sale of pari-mutuel pull tab tickets**
 34 **authorized under IC 4-31-7.5.**

35 **(b) A supplier shall keep books and records for the furnishing**
 36 **of pari-mutuel pull tab terminals and devices to permit holders**
 37 **separate from books and records of any other business operated by**
 38 **the supplier.**

39 **(c) A supplier shall file a quarterly return with the commission**
 40 **listing all sales and leases.**

41 **(d) A supplier shall permanently affix the supplier's name to all**
 42 **of the supplier's pari-mutuel pull tab terminals or devices provided**
 43 **to permit holders under this chapter.**

44 **Sec. 6. A supplier's pari-mutuel pull tab terminals or devices**
 45 **that are used by a person in an unauthorized gambling operation**
 46 **shall be forfeited to the state.**

47 **Sec. 7. Pari-mutuel pull tab terminals and devices that are**
 48 **provided by a supplier may be:**

(1) repaired on the premises of a racetrack or satellite facility;
or

(2) removed for repair from the premises of a permit holder
to a facility owned the permit holder.

Sec. 8. (a) Unless a supplier's license is suspended, expires, or is
revoked, the supplier's license may be renewed annually upon:

(1) the payment of a five thousand dollar (\$5,000) annual
renewal fee; and

(2) a determination by the commission that the licensee is in
compliance with this article.

(b) The holder of a supplier's license shall undergo a complete
investigation every three (3) years to determine that the licensee is
in compliance with this article.

(c) Notwithstanding subsection (b), the commission may
investigate the holder of a supplier's license at any time the
commission determines it is necessary to ensure that the licensee is
in compliance with this article.

(d) The holder of a supplier's license shall bear the cost of an
investigation or reinvestigation of the licensee and any
investigation resulting from a potential transfer of ownership.

SECTION 44. IC 4-33-9-3 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 3. (a) Except as
provided in subsection (b), a riverboat ~~excursions~~ **cruise** may not
exceed four (4) hours for a round trip.

(b) Subsection (a) does not apply to an extended cruise that is
expressly approved by the commission.

SECTION 45. IC 4-33-9-14 IS AMENDED TO READ AS
FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 14. (a) This section
applies only to a riverboat that operates from a county that is
contiguous to the Ohio River.

(b) A ~~gambling excursion~~ **cruise** is permitted only when the
navigable waterway for which the riverboat is licensed is navigable, as
determined by the commission in consultation with the United States
Army Corps of Engineers.

SECTION 46. IC 4-33-9-17 IS ADDED TO THE INDIANA CODE
AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
1, 2002]: Sec. 17. (a) This section applies only to a riverboat located
in a historic preservation district described in IC 4-33-1-1(3).

(b) As used in this section, "electronic gaming device" has the
meaning set forth in 68 IAC 1-1-29.

(c) As used in this section, "live gaming device" has the meaning
set forth in 68-IAC 1-1-59.

(d) The licensed owner of a riverboat described in subsection (a)
may not install more than five hundred (500) electronic gaming
devices on board the riverboat.

(e) This section does not limit the number of live gaming devices
that the licensed owner may install on board a riverboat described

1 **in subsection (a).**

2 SECTION 47. IC 4-33-10-5 IS AMENDED TO READ AS
3 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 5. An action to
4 prosecute a crime occurring during a gambling ~~excursion on a~~
5 **riverboat** shall be tried in the county of the dock where the riverboat
6 is ~~based~~ **located**."

7 Page 9, line 5, strike "gambling excursions" and insert "**a**
8 **riverboat**".

9 Page 9, line 6, reset in roman "three".

10 Page 9, line 6, delete "four".

11 Page 9, line 6, reset in roman "(\$3)".

12 Page 9, line 6, delete "(\$4)".

13 Page 9, line 6, strike "person admitted to the".

14 Page 9, line 7, strike "gambling excursion." and insert "**patron who**
15 **is on board at the time a passenger count is recorded.**

16 **(b) Passenger counts must be recorded one (1) hour after the**
17 **start of each reporting period and once every two (2) hours**
18 **thereafter under procedures approved by the commission.**

19 **(c) If the riverboat's schedule as approved by the commission**
20 **does not provide for the riverboat to be open to the public at the**
21 **start of the reporting period, passenger counts must be recorded**
22 **one (1) hour after the riverboat begins admitting patrons during a**
23 **reporting period and once every two (2) hours thereafter under**
24 **procedures approved by the commission.**

25 **(d)".**

26 Page 9, line 8, strike "excursion." and insert "**operation**".

27 Page 10, delete lines 21 through 24.

28 Page 10, line 26, strike "on Patoka Lake," and insert "**in a historic**
29 **preservation district described in IC 4-33-1-1(3),**".

30 Page 10, line 28, strike "described in IC 4-33-1-1(3)" and insert
31 **"that are contiguous to Patoka Lake"**.

32 Page 10, line 31, after "counties" insert ".".

33 Page 10, line 31, strike "described in".

34 Page 10, line 32, strike "IC 4-33-1-1(3)".

35 Page 10, line 33, strike "Patoka Lake development account
36 established under".

37 Page 10, line 34, strike "IC 4-33-15" and insert "**towns described**
38 **in IC 4-33-1-1(3)(C)**".

39 Page 10, line 36, after "quarter." insert "**This amount shall be**
40 **divided equally among the towns**".

41 Page 10, strike lines 37 through 41.

42 Page 10, line 42, strike "(4)" and insert "(3)".

43 Page 10, line 42, strike "state general fund" and insert "**historic**
44 **preservation district described in IC 4-33-1-1(3)**".

45 Page 10, line 42, strike "fifty" and insert "**ninety**".

46 Page 10, line 42, strike "(\$0.50)" and insert "**(\$0.90)**".

47 Page 11, line 3, strike "(5)" and insert "**(4)**".

1 Page 11, line 30, strike "(c)(5):" and insert "(c)(4):".

2 Page 12, between lines 1 and 2, begin a new paragraph and insert:

3 **"(g) Money paid to a historic preservation district under**
4 **subsection (c)(3) must be:**

5 **(1) paid to the district's fiscal agent designated under**
6 **IC 36-7-11-23; and**

7 **(2) used for the restoration, preservation, operation, and**
8 **development of the historic resort hotels located within the**
9 **district.**

10 **Money paid to a historic preservation district under subsection**
11 **(c)(3) may be pledged to bonds, leases, or other obligations under**
12 **IC 5-1-14-4 that are necessary to carry out the purposes of this**
13 **subsection."**

14 Page 12, delete lines 2 through 32, begin a new paragraph and
15 insert:

16 "SECTION 7. IC 4-33-13-1 IS AMENDED TO READ AS
17 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 1. (a) A tax is imposed
18 on the adjusted gross receipts received from gambling games
19 authorized under this article at the rate of:

20 **(1) twenty percent (20%) of the ~~amount~~ first one hundred**
21 **million dollars (\$100,000,000) of the adjusted gross receipts**
22 **received during the period beginning on July 1 of each year**
23 **and ending on June 30 of the following year; and**

24 **(2) twenty-two and five-tenths percent (22.5%) of adjusted**
25 **gross receipts exceeding one hundred million dollars**
26 **(\$100,000,000) received during the period beginning on July**
27 **1 of each year and ending on June 30 of the following year.**

28 (b) The licensed owner shall remit the tax imposed by this chapter
29 to the department before the close of the business day following the day
30 the wagers are made.

31 (c) The department may require payment under this section to be
32 made by electronic funds transfer (as defined in IC 4-8.1-2-7(e)).

33 (d) If the department requires taxes to be remitted under this chapter
34 through electronic funds transfer, the department may allow the
35 licensed owner to file a monthly report to reconcile the amounts
36 remitted to the department.

37 (e) The department may allow taxes remitted under this section to
38 be reported on the same form used for taxes paid under IC 4-33-12.

39 **(f) Each month the department shall determine the following:**

40 **(1) The amount of taxes imposed by this chapter that are**
41 **remitted by a licensed owner.**

42 **(2) The amount of taxes imposed by this chapter that would**
43 **have been remitted by a licensed owner if the licensed owner's**
44 **adjusted gross receipts received from gambling games**
45 **authorized by this article had been taxed at the rate of twenty**
46 **percent (20%).**

47 **(3) The result of the subdivision (2) amount multiplied by**

1 **twenty-five percent (25%).**

2 **(4) The result of the subdivision (2) amount multiplied by**
 3 **seventy-five percent (75%).**

4 **(5) The result of the subdivision (1) amount minus the**
 5 **subdivision (2) amount."**

6 Page 12, line 35, after "5." insert **"(a) This subsection applies only**
 7 **to a riverboat located in a county described in IC 4-33-1-1(1)**
 8 **through IC 4-33-1-1(2)."**

9 Page 13, line 2, after "IC 4-33-12-6(b)(1)(A);" insert **"or"**.

10 Page 13, strike lines 3 through 5.

11 Page 13, line 6, strike "(C)" and insert **"(B)"**.

12 Page 13, line 9, after "(A)" insert **."**

13 Page 13, line 9, strike "or a county described in clause (B); and".

14 Page 13, between lines 16 and 17, begin a new paragraph and insert:
 15 **"(b) This subsection applies only to a riverboat located in a**
 16 **historic preservation district described in IC 4-33-1-1(3). After**
 17 **funds are appropriated under section 4 of this chapter, each month**
 18 **the treasurer of state shall distribute the tax revenue deposited in**
 19 **the state gaming fund under this chapter to the following:**

20 **(1) Twenty-five percent (25%) of the tax revenue remitted by**
 21 **the riverboat's licensed operating agent shall be paid in equal**
 22 **shares to the counties that are contiguous to Patoka Lake.**

23 **(2) Twenty-five percent (25%) of the tax revenue remitted by**
 24 **the riverboat's licensed operating agent shall be paid to the**
 25 **historic preservation district.**

26 **(3) Fifty percent (50%) of the tax revenue remitted by the**
 27 **riverboat's licensed operating agent shall be paid to the build**
 28 **Indiana fund lottery and gaming surplus account.**

29 SECTION 9. IC 4-33-13-6 IS AMENDED TO READ AS
 30 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 6. (a) Money paid to a
 31 unit of local government under this chapter:

32 (1) must be paid to the fiscal officer of the unit and may be
 33 deposited in the unit's general fund or riverboat fund established
 34 under IC 36-1-8-9, or both;

35 (2) may not be used to reduce the unit's maximum or actual levy
 36 under IC 6-1.1-18.5; and

37 (3) may be used for any legal or corporate purpose of the unit,
 38 including the pledge of money to bonds, leases, or other
 39 obligations under IC 5-1-14-4.

40 (b) This chapter does not prohibit the city or county designated as
 41 the home dock of the riverboat from entering into agreements with
 42 other units of local government in Indiana or in other states to share the
 43 city's or county's part of the tax revenue received under this chapter.

44 (c) **Money paid to a historic preservation district under section**
 45 **5 of this chapter must be:**

46 **(1) paid to the district's fiscal agent designated under**
 47 **IC 36-7-11-23; and**

(2) used for the restoration, preservation, operation, and development of the historic resort hotels located within the district.

Money paid to a historic preservation district under section 5(b)(2) of this chapter may be pledged to bonds, leases, or other obligations under IC 5-1-14-4 that are necessary to carry out the purposes of this subsection.

SECTION 10. IC 4-33-16 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 16. Gambling Operations in a Historic Preservation District

Sec. 1. This chapter applies only to a historic preservation district described in IC 4-33-1-1(3) and established under IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "district" refers to the historic preservation district established under IC 36-7-11-4.5.

Sec. 3. As used in this chapter, "historic preservation commission" refers to the historic preservation commission established under IC 36-7-11-4.5.

Sec. 4. As used in this chapter, "operating expenses" means the following:

(1) Money spent by the historic preservation commission in the exercise of the historic preservation commission's powers under this article, IC 36-7-11-23, and IC 36-7-11-24 as limited by section 5 of this chapter.

(2) Management fees paid to the riverboat's licensed operating agent.

Sec. 5. A riverboat authorized under this article for a historic preservation district described in IC 4-33-1-1(3) must be located on real property owned by the district that is located between the two (2) historic resort hotels.

Sec. 6. The commission shall grant an owner's license to the historic preservation commission upon the fulfillment of the following requirements:

(1) Riverboat gaming is approved in a public question.

(2) The commission completes the investigations required under IC 4-33-6.

Sec. 7. The historic preservation commission shall contract with another person to operate a riverboat located in the district. The person must be a licensed operating agent under IC 4-33-6.5.

Sec. 8. The net income derived from the riverboat after the payment of all operating expenses shall be deposited in the French Lick and West Baden community trust fund established under IC 36-7-11.4.

Sec. 9. After deducting any tax revenue received under IC 4-33-12 and IC 4-33-13 that:

(1) is expended by the historic preservation commission to

1 carry out the historic preservation commission's duties and
 2 powers under this article, IC 36-7-11-3, and IC 36-7-11-24; or
 3 (2) is pledged to bonds, leases, or other obligations under
 4 IC 5-1-14-4;

5 the historic preservation commission shall deposit the remaining
 6 tax revenue in the French Lick and West Baden community trust
 7 fund established under IC 36-7-11.4."

8 Page 99, line 15, after "only" insert **"the pari-mutuel pull tab**
 9 **wagering tax (IC 4-31-7.5-14);"**.

10 Page 125, between lines 14 and 15, begin a new paragraph and
 11 insert:

12 "SECTION 125. IC 35-45-5-7 IS AMENDED TO READ AS
 13 FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 7. This chapter does not
 14 apply to the publication or broadcast of an advertisement, a list of
 15 prizes, or other information concerning:

16 (1) pari-mutuel wagering on horse races or a lottery authorized by
 17 the law of any state; ~~or~~

18 (2) a game of chance operated in accordance with IC 4-32; **or**

19 **(3) a pari-mutuel pull tab game operated in accordance with**
 20 **IC 4-31-7.5.**

21 SECTION 126. IC 35-45-5-11 IS ADDED TO THE INDIANA
 22 CODE AS A NEW SECTION TO READ AS FOLLOWS
 23 [EFFECTIVE JULY 1, 2002]: **Sec. 11. This chapter does not apply**
 24 **to the sale of pari-mutuel pull tab tickets authorized by IC 4-31-7.5.**

25 SECTION 127. IC 36-7-11-4.5 IS ADDED TO THE INDIANA
 26 CODE AS A NEW SECTION TO READ AS FOLLOWS
 27 [EFFECTIVE JULY 1, 2002]: **Sec. 4.5. (a) This section applies to the**
 28 **following towns located in a county having a population of more**
 29 **than nineteen thousand three hundred (19,300) but less than**
 30 **twenty thousand (20,000):**

31 **(1) A town having a population of more than one thousand**
 32 **five hundred (1,500) but less than two thousand two hundred**
 33 **(2,200).**

34 **(2) A town having a population of less than one thousand five**
 35 **hundred (1,500).**

36 **(b) The towns described in subsection (a) may enter an**
 37 **interlocal agreement under IC 36-1-7 to establish a joint historic**
 38 **preservation district under this chapter. An ordinance entering the**
 39 **interlocal agreement must provide for the following membership**
 40 **of the joint historic preservation district:**

41 **(1) A member of the town council of a town described in**
 42 **subsection (a)(1).**

43 **(2) A member of the town council of a town described in**
 44 **subsection (a)(2).**

45 **(3) The owner of a historic resort hotel located in a town**
 46 **described in subsection (a)(1) or the owner's designee.**

47 **(4) The owner of a historic resort hotel located in a town**

described in subsection (a)(2) or the owner's designee.

(5) An individual appointed by the Historic Landmarks Foundation of Indiana.

(6) A resident of a town described in subsection (a)(1).

(7) A resident of a town described in subsection (a)(2).

(c) A member of the commission described in subsection (b)(1) or (b)(2) shall serve for the duration of the member's term of office on the town council. The members described in subsection (b)(5) through (b)(7) shall each serve for a term of three (3) years. However, the terms of the original voting members may be for one (1) year, two (2) years, or three (3) years in order for the terms to be staggered, as provided by the ordinance. A vacancy shall be filled for the duration of the term.

(d) The ordinance may provide qualifications for members of the commission described in subsection (b)(6) and (b)(7). However, members must be residents of the unit who are interested in the preservation and development of historic areas. The members of the commission should include professionals in the disciplines of architectural history, planning, and other disciplines related to historic preservation, to the extent that those professionals are available in the community. The ordinance may also provide for the appointment of advisory members that the legislative body considers appropriate.

(e) Each member of the commission must, before beginning the discharge of the duties of the member's office, do the following:

(1) Take an oath that the member will faithfully execute the duties of the member's office according to Indiana law and rules adopted under Indiana law.

(2) Provide a bond to the state that:

(A) is approved by the Indiana gaming commission;

(B) is for twenty-five thousand dollars (\$25,000); and

(C) is, after being executed and approved, recorded in the office of the secretary of state.

(f) The ordinance may:

(1) designate an officer or employee of a town described in subsection (a) to act as administrator;

(2) permit the commission to appoint an administrator who shall serve without compensation except reasonable expenses incurred in the performance of the administrator's duties; or

(3) provide that the commission act without the services of an administrator.

(g) Members of the commission shall serve without compensation except for reasonable expenses incurred in the performance of their duties.

(h) The commission shall elect from its membership a chairperson and vice chairperson, who shall serve for one (1) year and may be reelected.

(i) The commission shall adopt rules consistent with this chapter

for the transaction of its business. The rules must include the time and place of regular meetings and a procedure for the calling of special meetings. All meetings of the commission must be open to the public, and a public record of the commission's resolutions, proceedings, and actions must be kept. If the commission has an administrator, the administrator shall act as the commission's secretary. If the commission does not have an administrator, the commission shall elect a secretary from its membership.

(j) The commission shall hold regular meetings, at least monthly, except when it has no business pending.

(k) A decision of the commission is subject to judicial review under IC 4-21.5-5 as if it were a decision of a state agency.

(l) Money acquired by the historic preservation commission:

(1) is subject to the laws concerning the deposit and safekeeping of public money; and

(2) must be deposited under the advisory supervision of the state board of finance in the same way and manner, at the same rate of interest, and under the same restrictions as other state money.

(m) The money of the historic preservation commission and the accounts of each officer, employee, or other person entrusted by law with the raising, disposition, or expenditure of the money or part of the money are subject to the following:

(1) Examination by the state board of accounts.

(2) The same penalties and the same provision for publicity that are provided by law for state money and state officers.

SECTION 128. IC 36-7-11-4.6 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 4.6. An ordinance that establishes a historic preservation commission under section 4 or 4.5 of this chapter may:

(1) authorize the commission to:

(A) acquire by purchase, gift, grant, bequest, devise, or lease any real or personal property, including easements, that is appropriate for carrying out the purposes of the commission;

(B) hold title to real and personal property; and

(C) sell, lease, rent, or otherwise dispose of real and personal property at a public or private sale on the terms and conditions that the commission considers best; and

(2) establish procedures that the commission must follow in acquiring and disposing of property.

SECTION 129. IC 36-7-11-23 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 23. (a) This section applies to a historic preservation commission established under section 4.5 of this chapter.

(b) In addition to the commission's other duties set forth in this chapter, the commission shall do the following:

(1) Designate a fiscal agent who must be the fiscal officer of one (1) of the towns described in section 4.5(a) of this chapter.

(2) Employ professional staff to assist the commission in carrying out its duties under this section.

(3) Engage consultants, attorneys, accountants, and other professionals necessary to carry out the commission's duties under this section.

(4) Own the riverboat license described in IC 4-33-6-1(a)(6).

(5) Develop requests for proposals for persons interested in operating and managing the riverboat authorized under IC 4-33 on behalf of the commission as the riverboat's licensed operating agent.

(6) Recommend a person to the Indiana gaming commission that the historic preservation commission believes will:

(A) promote the most economic development in the area surrounding the historic preservation district;

(B) best meet the criteria set forth in IC 4-33-6-4; and

(C) best serve the interests of the citizens of Indiana.

However, the gaming commission is not bound by the recommendation of the historic preservation commission.

SECTION 130. IC 36-7-11-24 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]: Sec. 24. (a) This section applies to a historic preservation commission established under section 4.5 of this chapter.

(b) In addition to the commission's other powers set forth in this chapter, the commission may do the following:

(1) Enter contracts to carry out the commission's duties under section 23 of this chapter, including contracts for the construction, maintenance, operation, and management of a riverboat to be operated in the historic preservation district under IC 4-33.

(2) Provide recommendations to the Indiana gaming commission concerning the operation and management of a riverboat to be operated in the historic preservation district under IC 4-33.

(c) This section may not be construed to limit the powers of the Indiana gaming commission with respect to the administration and regulation of riverboat gaming under IC 4-33.

SECTION 131. IC 36-7-11.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2002]:

Chapter 11.4. French Lick and West Baden Community Trust Fund

Sec. 1. This section applies to a historic preservation district established under IC 36-7-11-4.5.

Sec. 2. As used in this chapter, "fund" refers to the French Lick and West Baden community trust fund established by section 4 of

1 this chapter.

2 Sec. 3. As used in this chapter, "historic preservation
3 commission" refers to the historic preservation commission
4 established under IC 36-7-11-4.5.

5 Sec. 4. (a) The French Lick and West Baden community trust
6 fund is established.

7 (b) The fund consists of the following:

8 (1) Money disbursed from the historic preservation
9 commission.

10 (2) Donations.

11 (3) Interest and dividends on assets of the fund.

12 (4) Money transferred to the fund from other funds.

13 (5) Money from any other source.

14 Sec. 5. (a) The historic preservation commission shall manage
15 and develop the fund and the assets of the fund.

16 (b) The historic preservation commission shall do the following:

17 (1) Establish a policy for the investment of the fund's assets.

18 (2) Perform other tasks consistent with prudent management
19 and development of the fund.

20 Sec. 6. (a) Subject to the investment policy of the board, the
21 fiscal agent appointed by the historic preservation commission
22 shall administer the fund and invest the money in the fund.

23 (b) The expenses of administering the fund and implementing
24 this chapter shall be paid from the fund.

25 (c) Money in the fund that is not currently needed to meet the
26 obligations of the fund may be invested in the same manner as
27 other public funds are invested. Interest that accrues from these
28 investments shall be deposited in the fund.

29 (d) Money in the fund at the end of a state fiscal year does not
30 revert to the state general fund.

31 Sec. 7. (a) The historic preservation commission has the sole
32 authority to allocate money from the fund for the following
33 purposes:

34 (1) The preservation, restoration, maintenance, operation,
35 and development of the French Lick historic resort hotel.

36 (2) The preservation, restoration, maintenance, operation,
37 and development of the West Baden historic resort hotel.

38 (3) Infrastructure projects and other related improvements in
39 the surrounding community.

40 (b) Money allocated under subsection (a)(1) and (a)(2) must be
41 divided equally between the two (2) historic resort hotels.

42 Sec. 8. The historic preservation commission shall prepare an
43 annual report concerning the fund and submit the report to the
44 legislative council before October 1 of each year. The report is a
45 public record."

46 Page 149, between lines 15 and 16, begin a new paragraph and
47 insert:

48 "SECTION 132. [EFFECTIVE JULY 1, 2002] (a) The Indiana

1 gaming commission shall adopt the emergency rules required
2 under IC 4-31-7.5-11, as added by this act, before September 1,
3 2002.

4 (b) This SECTION expires December 31, 2002."

5 Page 157, between lines 11 and 12, begin a new paragraph and
6 insert:

7 "SECTION 153. THE FOLLOWING ARE REPEALED
8 [EFFECTIVE JULY 1, 2002]: IC 4-33-2-8; IC 4-33-4-19; IC 4-33-9-2;
9 IC 4-33-12-2; IC 4-33-15."

10 Renumber all SECTIONS consecutively.

(Reference is to EHB 1004 as printed February 22, 2002.)

Senator ALTING